



Opening Statement of Alaska Senator Mark Begich
Subcommittee on Contracting Oversight

July 16, 2009

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Thank you, Chairwoman McCaskill, for your courtesy in allowing Senator Murkowski and me to participate in this hearing.

The issues we'll explore today are vitally important for my constituents, and especially for the Native people of Alaska, who comprise nearly 20 percent of our state's population.

For me, the well being of Alaska Native people is personal for two reasons. First, my father's greatest legacy in his short tenure as Alaska's lone congressman was helping write the Alaska Native Claims Settlement Act.

This landmark act, which has dramatically improved the status of Alaska Natives, passed Congress in 1971, just a year before he died.

The second reason it's personal is because I have personally witnessed the struggle against formidable odds, and the enormous success of Alaska Native people today.

I was born in Anchorage barely three years after Alaska became a state. At that time, Alaska Natives had developed a rich culture in some of the harshest conditions on the globe. But by western measures, their status was bleak.

Census data for that post-statehood era is incomplete. But the data that is available tell a story of great need. In 1970, only 18 percent of Alaska Natives had a high school diploma; less than 1 percent had a college degree.

Half lived below the poverty line. Fifty percent of Alaska Natives lived without indoor plumbing, collecting their waste in what we call a "honey bucket."

And nearly two-thirds lacked what we define today as a job. Most hunted, fished and lived off Alaska's land and waters to feed their families.

Today, thanks to the Settlement Act and congressional action to permit Alaska Native corporations to participate in the SBA's 8(a) program, the story of Alaska Native people is one of unprecedented success.

The numbers tell part of the story. Educational attainment has soared, with about half of Alaska Natives earning high school diplomas and nearly a third with at least some college.

Less than 25 percent live below the poverty line. Three-quarters live in homes with the basic clean water and sewer facilities we all take for granted.

For those of us who believe in the free market system, the transition to the private sector is especially admirable. In 1970, about half of Alaska Natives worked for government.

Today that number is just 29 percent as more Natives work for their own corporations and other Alaska companies.

And what's most impressive to me is the enviable success of Alaska Native corporations. After struggling in their early years, all 12 of Alaska's in-state regional profit corporations are profitable, generating about \$4 billion in revenues for their Native shareholders.

ANCSA corporations are among our state's top employers, providing jobs for more than 30,000 people. And I submit that these companies are among the most socially conscience in the world.

Their chief mission is providing benefits to the Native people they were created to serve. They work hard and contribute enormously for educational scholarships, cultural preservation, elder services, community development and to support the subsistence lifestyle that is such a vital part of their culture and identity.

The participation of ANCs through the 8(a) program is another great success story. These amendments to the Claims Act were five years in the making, thoroughly discussed within both the Native community and the Congress before their adoption.

The SBA's IG report says there are about 203 ANC participants in the program. Through their work across the nation, they are generating billions of dollars in benefits to their ANC shareholders.

This continues to raise the standard of living for thousands of Alaska Native people who live in 200 villages and communities across my state. There are scores of compelling success stories we could document if time permitted.

Madam Chair, contrary to some of the spin generated off the various government reports, I believe Alaska Native participation in the 8(a) program overall has been one of considerable success.

Certainly there may be a few bruised apples that require attention. And I agree with many of the IG's recommendations that the SBA needs to clarify its procedures and fully staff its oversight mission.

Let us continue to be mindful of the continuing needs among Alaska Native people in my state and how ANCs, working in part through their 8(a) subsidiaries, are meeting those needs so that American taxpayers don't have to.

I look forward to working with this subcommittee and the Congress to ensure that this program continues to work properly and effectively for Alaska Native corporations and all Americans. Thank you.